



Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

ECONOMIC TRENDS

Kootenai County's nonfarm payroll jobs grew a solid, if not dramatic, 4.2 percent between July 2005 and July 2006. Although signs suggest construction may be slowing, employment in July was 650 jobs above the already extremely high level of 12 months before. The educational and health services sector was 360 jobs ahead of its July 2005 level because of the February opening of Northern Idaho Advanced Care acute care hospital and the expansion of a variety of health care and social assistance providers. The professional and business services sector added 300 jobs mostly at call centers, corporate headquarters and security firms. Given the high demand for workers right now, one might expect the temporary employment agencies to be expanding. But they have not been able to because they too are having trouble finding and retaining workers. Retail stores added 260 jobs during the 12-month period as they expand to serve the county's growing population and the increasing number of tourists. The increase in tourism also generated 150 jobs in the hospitality sector.

The rest of the Panhandle also is seeing its job growth slow from the very rapid rates enjoyed in 2005. Falling lumber prices already have caused two mill layoffs in Benewah and Boundary counties and have the potential to cause more havoc in the forest products industry. Tourism is up throughout the region, but higher gasoline prices and rising housing costs are constraining spending by local residents. With the exception of Bonner County, manufacturing is not expected to be a significant source of new jobs this year. Quest Aircraft, Litehouse Foods, Unicep Packaging and Encoder Products are among the growing manufacturers that

Panhandle Table 1: Coeur d'Alene MSA Labor Force & Employment Kootenai County

	Jul 2006*	Jun 2006	Jul 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	69,700	69,410	68,090	0.4	2.4
Unemployed	2,720	2,610	2,780	4.2	-2.2
% of Labor Force Unemployed	3.9	3.8	4.1		
Total Employment	66,980	66,800	65,310	0.3	2.6
Unadjusted					
Civilian Labor Force	71,330	70,550	69,090	1.1	3.2
Unemployed	2,220	2,180	2,300	1.8	-3.5
% of Labor Force Unemployed	3.1	3.1	3.3		
Total Employment	69,110	68,370	66,790	1.1	3.5
JOB BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	56,180	56,230	53,910	-0.1	4.2
Goods-Producing Industries	11,420	11,310	10,670	1.0	7.0
Natural Resources & Mining	520	500	470	4.0	10.6
Construction	6,220	6,130	5,590	1.5	11.3
Manufacturing	4,680	4,680	4,610	0.0	1.5
Wood Product Manufacturing	1,020	1,030	1,050	-1.0	-2.9
Other Manufacturing	3,660	3,650	3,560	0.3	2.8
Service-Providing Industries	44,760	44,920	43,240	-0.4	3.5
Trade, Transportation, & Utilities	10,100	10,000	9,780	1.0	3.3
Wholesale Trade	1,430	1,420	1,360	0.7	5.1
Retail Trade	7,630	7,550	7,370	1.1	3.5
Transportation, Warehousing & Utilities	1,040	1,030	1,050	1.0	-1.0
Information	1,000	990	1,020	1.0	-2.0
Financial Activities	2,930	2,930	2,740	0.0	6.9
Professional & Business Services	6,510	6,460	6,210	0.8	4.8
Educational & Health Services	5,600	5,590	5,240	0.2	6.9
Leisure & Hospitality	8,410	8,050	8,260	4.5	1.8
Other Services	1,620	1,510	1,620	7.3	0.0
Government Education	2,730	3,440	2,570	-20.6	6.2
Government Administration	5,130	5,230	5,100	-1.9	0.6
Government Tribes	730	720	700	1.4	4.3

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

will make Bonner County the exception. Construction activity is at record levels in all of the Panhandle counties, but most counties are likely to see significant reductions in construction activity over the coming year.

AREA DEVELOPMENTS

Affordable Housing for the Local Work Force

With the rapid run-up in housing prices the Panhandle has experienced, many communities are increasingly concerned about affordability. Local leaders fear young families and others in the labor force

will be forced to leave their communities because they are unable to afford homes there. The Silver Valley Economic Development Corp. has been leading a community discussion on housing affordability issues in Shoshone County for two years. The city of Coeur d'Alene, Lake City Development Corp. — the redevelopment agency for the lake and river districts in Coeur d'Alene — and the Idaho Housing and Finance Association recently gave \$45,000 to Denver-based BBC Research & Consulting to assess where affordable housing should and could be developed. The city of Sandpoint is considering working with the association to pay for a similar housing assessment there.

Benewah County

- Potlatch Corp., owner of the St. Maries River Railroad, recently started to repair the trestle over Benewah Lake. The trestle collapsed April 24, cutting off rail access. The work is scheduled to be completed in November.
- Plummer, whose 1,000 residents live next to U.S. Highway 95 at the heart of the Coeur d'Alene Indian Reservation, has imposed a six-month moratorium on new sewer hookups after the Idaho Department of Environmental Quality denied the city the right to extend a main service line. The department cited a lack of capacity in the city's sewage treatment plant. The city hopes to build a new plant as early as 2007. But the \$7.7 million expansion project would allow it to add only about 50 new hookups, well short of accommodating all the housing developments proposed earlier this year.
- The 1,900-member Coeur d'Alene Tribe recently diversified its business portfolio by purchasing two businesses.
- In July, it acquired majority ownership of HearthBread Bakehouse, a bakery in Spokane that makes a wide variety of pastries and fresh and frozen breads. About 10 percent of its sales are made directly to retail customers, and the other 90 percent are made to restaurants and food services for hospitals, schools and other institutions. Currently, HearthBread employs 40 people, but it plans to expand to 100 in a few years.
- Earlier this year, Berg Integrated, a steel fabricator in Coeur d'Alene employing 10 people, told Kootenai County business recruiter Jobs Plus that it needed a larger location and a cash infusion to expand. Jobs Plus introduced Berg's owners to the tribe, and the tribe bought a majority stake in the company in July. By the end of this summer, Berg will move into a 50,000 square-foot facility in the

tribe's business park in Plummer that once housed a strawboard plant. Tribal ownership makes Berg more competitive for government contracts. By moving to the Coeur d'Alene Indian Reservation, Berg will also be able to tap into federal contracting opportunities for small companies in economically distressed areas. The tribe believes Berg Integrated Systems has the potential to expand to 250 workers over the next several years.

- Further diversification and expansion may be on the way. The tribal council is in the conceptual stage of developing another business park along U.S. Highway 95 north of Plummer, which it hopes to fill with light manufacturers.

Bonner County

- Brad Golphennee and George Kiselica recently opened Sandpoint Real Estate Services which looks after homes while their owners are absent. Given the enormous increase in second homes in Bonner County, the business is a natural. It provides security checks, lawn care, maintenance, housekeeping and snow removal. When owners are coming to stay, Sandpoint Real Estate Services will clean the house, stock groceries and pick up owners at the Spokane airport.

Kootenai County

- The overwhelming popularity of its three-year-old Boulder Beach Water Park has convinced Silverwood Theme Park to add a second wave pool, build a water slide large enough for an entire family to ride together and provide more space for the crowds enjoying the water park. Silverwood also plans to replace its septic system with a sewage treatment plant, which would allow it to add a hotel and golf course in 2008 or 2009. About 600 people work in the summer at the theme park 20 miles north of Coeur d'Alene on U.S. Highway 95.
- Hagadone Corp., the owner of the Coeur d'Alene Press and five other newspapers in the Panhandle, recently broke ground on an \$8 million, 25,000 square-foot, high-tech production facility just north of the Coeur d'Alene Press office in downtown Coeur d'Alene. Rapid circulation growth of the papers led to the decision to purchase high-speed, state-of-the-art printing equipment. The Hagadone newspapers in the Panhandle include the Shoshone County News Press, Post Falls Press, Bonner County Daily Bee, Bonners Ferry Herald and Priest River Times.
- Kootenai County recently welcomed a research and development facility moving from Santa Rosa,

Calif. Twenty-five years ago Ray Flugger patented a design that improved the efficiency while reducing the noise of exhaust systems, and he founded Flowmaster in Santa Rosa. This summer, with help from Jobs Plus, the nonprofit economic development organization, Flowmaster moved its research and development facility to Warren K. Industrial Park in Hayden. In June, Flowmaster opened a shop where it sells and installs exhaust systems. Then this summer, the company completed construction of its research and development center there. Flowmaster currently employs 10 people in Hayden and soon will hire four more.

- The Rathdrum city council conditionally approved the annexation of 205 acres for where Pleasant Valley Properties LLC plans to build a mile-long horse racetrack with stadium seating, performance arena, stables, an interpretive center, an RV park and 65 acres of single- and multifamily housing. The company also is considering building a motel. Pleasant Valley Properties says that the horse-centered development could create up to 200 jobs and could be hosting dressage, jumping and other competitive events by 2008. The race-track, which probably would operate about 60 days a year, would be a later phase of the development. It would be Rathdrum's first significant recreational facility. The council made it clear that it conditioned the approval of the housing development on the development of the racetrack.
- A Hyundai dealership may soon join Select Subaru, Midway Nissan and Knudtsen Chevrolet along the I-90 corridor in Post Falls. Findlay Automotive Group, based in Nevada, hopes to construct a \$2.7 million, 18,000 square-foot building on 3.5 acres there. The Findlay Hyundai dealership would contain up to 150 spots for new vehicles and 100 for used vehicles. Initially, about 30 people will work there. If Findlay can get the permits it needs quickly, the dealership could open by New Year's Day.
- A product developed by NASA called Spectrachrome has many fun uses since it changes colors in the sun so Craig and Christine Ely re-

cently opened Del Sol in downtown Coeur d'Alene to sell Spectrachrome nail polish, jewelry, t-shirts and accessories.

- The restaurant choices in Coeur d'Alene continue to expand with the Breakfast Nook, serving breakfast and lunch; Fiesta Mexicana, an authentic Mexican restaurant; Anthony's Midtown Bistro, owned by Culinary Institute of American chef Anthony Hall; and Fort Ground Grill, a restaurant and bar.
- Two new stores recently joined the 339 stores already located in Coeur d'Alene. Susie Q's boutique sells high-quality antiques, furniture and household accessories, and Coeur d'Alene Olive Oil Co. sells a wide variety of olive oils, olives and other foodstuffs.
- Another sign of Harrison's reinvigoration is the recent opening of O'Susana's Design Studio, a full-service hair and nail salon in the ground floor of the historic Harrison building. Owned by stylist Susan Ireland, the salon also shows works by local artists.

Shoshone County

- About 70 people attended a recent meeting about how local businesses can best respond to the opening of a Wal-Mart Supercenter early next year near Smelterville. Local businesses will have to compete not only for customers but for employees. The Smelterville Wal-Mart is expected to employ about 200 people.
- The Shoshone Mining and Smelting Museum in Kellogg recently celebrated its 20th anniversary while the Staff House it is located in celebrated its 100th anniversary. Built in 1906, the two-story Staff House originally was the home of the manager of the Bunker Hill Mine. After Bunker Hill closed in 1982, it sat vacant for four years until it was reopened as a museum celebrating the fascinating history of Silver Valley's mining sector.

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